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TAGS: [KPAO](#) [OPRC](#) [KMDR](#) [PREL](#)
SUBJECT: MEDIA REACTION; CHAVEZ-KIRCHNER AND THE SUITCASE SCANDAL;
WORLD FINANCIAL CRISIS; 08/21/07

1. SUMMARY STATEMENT

The main weekend international stories are related to the implications of the suitcase scandal in the Argentine-Venezuelan relationship; and the role played by US vulture funds in the world financial crisis.

2. OPINION PIECES AND EDITORIALS

- "Santa Cruz, Carris and Chavez against Kirchner"

Joaquin Morales Sol, political analyst of daily-of-record "La Nacion," writes (08/19) "... What kind of unlimited power permitted an Argentine aircraft on an official mission to give a seat to a foreigner with a suitcase containing 800,000 US dollars that was surely illegal?.. And the most important question - what destination did those 800,000 US dollars have?.. Was it money laundering or narco-trafficking money...? Was it money to pay for bribes or to help Argentine friends of Chavez? The judicial case has not closed yet.

"However, the gist of the political problem lies with Argentina's ties to Venezuela, which are not normal... Diplomacy should definitely replace the shadowy economic operators in dealing with Chavez...

"Chavez does whatever he wants in Venezuela but it would be intolerable that he acted as he wanted in Argentina. This now only depends on Kirchner.

"The (Argentine) Government has noticed that the Bush administration used the suitcase scandal in its confrontation with the Venezuelan caudillo. That is not new. It is only natural that Washington use such a scandal against Chavez...

"... (Elisa) Carris's insistent denunciation against the most influential government officials and important businessmen, the problems created by Chavez, the violence in Santa Cruz and also inflation shrunk the error margin as the election that will change Argentina's president gets closer."

- "Suitcase or sootcase?"

An editorial in liberal, English-language "Buenos Aires Herald" reads (08/18) "Almost a fortnight after the Venezuelan businessman Guido Antonini Wilson tried to pass through Customs at Jorge Newbery Airport with a suitcase containing nearly 800,000 undeclared dollars, thus triggering a major uproar a few days later, the resolution of this scandal seems to be falling slowly into place...

"In fact, various loose ends remaining both legal and political

terms, even if the proceedings now underway are satisfactorily concluded. Various questions await an answer: What was the purpose of the 800,000 dollars? How many similar suitcases have Venezuelan and other visitors slipped through customs and did the reasons for the strict inspection of a weekend flight stem from political factors rather than routine control? The various legal questions can be multiplied but there is also the question of the relationship with Venezuela. The belated mini-purge of Chavez seems ideal for letting the Nestor Kirchner administration off the hook because the Venezuelan leader thus appears to accept responsibility without taking offence unduly. But is salvaging the relationship with the controversial Chavez necessarily good news at a time of global financial turbulence? Kirchner thought he was defending the 10.6 percent interest paid out for the debt bonds purchased by Venezuela when he said that he would probably have to pay double anywhere else but this only underlines the corner into which Argentina has painted itself.

"Corruption scandals and sagging money markets might seem to belong to different worlds but the distance between the two cannot be so neatly compartmentalized - in this context moral and financial solvency go together with political scandal and financial collapse feeding each other. Even more importantly for the government at least, this also applies to opposition prospects in the elections - normally fragmentation is an electoral liability but when problems have political, ethical, financial and institutional aspects, an opposition with a multiple personality can only gain."

- "'Vulture' funds - the best applied qualifier"

Oscar Ral Cardoso, international analyst of leading "Clarn," opines (08/18) "According to Scott Baker, a US investor who was trapped in his country's outrageous financial crisis, the investment funds industry is spoiling the international market and needs to be regulated..."

"... After all, investors resort to them because the so-called 'free investment funds' are ferocious profit machines in spite of the fact that their heads are the most expensive financial agents to be found.

"... This innate passion to create wealth is unlimited... The most recent example is the so-called 'securitization' of the real estate financial market, based on an impossible illusion - the belief that real estate prices could only go up, never go back. This is one of the chimeras on which the prosperity claimed by Washington was based during the Bush administration..."

"... The malaise has been transferred to the global financial system, in which the main world economic power finds out that much of its sovereign debt ended up in speculation... No one in the US is in a position to assess how much national wealth has been lost in the real estate crash."

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